

**PIONEER BANKSHARES, INC.**  
**ANNOUNCES 2022 YEAR-END EARNINGS**

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Stanley, VA, April 6, 2023 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the year ended December 31, 2022 of \$2.6 million or \$2.57 per share as compared to \$3.6 million or \$3.60 per share for the year ended December 31, 2021. The net decrease in earnings for 2022, as compared to the prior year, is primarily attributed to the Payroll Protection Program (PPP) fees collected during the prior year and the sale of securities related to repositioning of the balance sheet in the 4<sup>th</sup> quarter.

The Company issued a 2022 4th quarter dividend payment of \$0.25 per share, which brought the 2022 dividend payments to a total of \$0.97 per share, representing an increase of 1.04% over the dividend payment for the same period in 2021. This dividend payment represents an annualized yield and return to investors of 3.56% based on the market price per share of PNBI stock as of the date of this release. Pioneer Bankshares' consolidated total assets as of December 31, 2022, were \$293.3 million compared to \$290.4 million as of December 31, 2021.

The Company had deposit growth of \$5.0 million or 1.99% for the period ending December 31, 2022, compared to an increase of \$24.5 million or 10.8% in deposit growth for 2021. The bank had a net increase in its loan portfolio of \$28.8 million or 16.09% during 2022 when compared to a net decrease of \$19.3 million or -9.73% during the same period in 2021.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$32.3 million. The Company's total number of outstanding common shares as of December 31, 2022, were 1,003,392. The Company's book value as of December 31, 2022 was \$32.22 per share compared to \$34.96 per share as of December 31, 2021.

**About Pioneer Bankshares, Inc.**

Pioneer Bankshares, Inc. is a one-bank holding company headquartered in Page County, Virginia. The Company's main branch and corporate office are located in Stanley, Virginia, with other branch locations in Shenandoah, Luray, Harrisonburg, Ruckersville, and Charlottesville, Virginia. The bank also operates a small finance company known as Valley Finance Services, a division of Pioneer Bank, which specializes in consumer and auto lending.

**Forward-Looking Statements**

This press release may contain "forward-looking statements" as defined by federal securities laws, which may involve significant risks and uncertainties. These statements address issues that involve risks, uncertainties, estimates and assumptions made by management, and actual results could differ materially from the results contemplated by these forward-looking statements. Other risk factors that could have a material adverse effect on our operations and future prospects include, but are not limited to, changes in: interest rates, general economic conditions, legislative and regulatory policies, and a variety of other matters. Readers should consider these risks and uncertainties in evaluating forward-looking statements and should not place undue reliance on such statements. We undertake no obligation to update these statements following the date of this press release.

The Company's comparative year-end financial highlights for December 31, 2022 and December 31, 2021 are included in the tables below:

**FINANCIAL HIGHLIGHTS**  
(In thousands, except for per share information)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>audited</u>	<u>audited</u>
<b>Earnings Results</b>		
Interest and dividend income	\$ 10,700	\$ 11,899
Interest expense	601	569
Net interest income	<u>10,099</u>	<u>11,330</u>
Provision for loan losses	<u>(247)</u>	<u>(283)</u>
Net interest income after provision for loan losses	10,346	11,613
Noninterest income	2,188	1,887
Noninterest expense	<u>9,533</u>	<u>9,272</u>
Income before income taxes	3,001	4,228
Income tax (benefit) expense	<u>434</u>	<u>660</u>
Net Income	<u>\$ 2,567</u>	<u>\$ 3,568</u>
 <b>Financial Condition</b>		
Assets	\$ 293,295	\$ 290,405
Deposits	257,346	252,331
Loans, net of allowance	205,698	176,680
Stockholders' Equity	32,330	34,825
 <b>Per Share Data</b>		
Net income per share, basic and diluted	\$ 2.57	\$ 3.60
Dividends per share	0.97	0.96
Book value per share	32.22	34.96
 <b>Performance Ratios</b>		
Return on average assets <sup>1</sup>	0.86%	1.26%
Return on average equity <sup>1</sup>	7.81%	10.52%
Dividend payout ratio	37.83%	26.71%
Average equity to average assets <sup>1</sup>	11.06%	11.99%

<sup>1</sup>Ratios are based primarily on daily average balances